

Norms and Trust Shaping Relationships of Food Exporting SMEs in Ghana

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Abstract

There exists a marked paucity of empirically rigorous research that focuses upon the impact that indigenous institutional influences can have upon the internationalisation strategies of entrepreneurs operating in developing countries. This study therefore explores the complex processes through which owner/managers of food exporting SMEs in Ghana draw upon cultural norms to build trust and networks that enable internationalisation, in the absence of formal institutional support. Emergent results facilitate a better understanding of the hybridisation of indigenous and global norms that underpin SME internationalisation in Ghana and in other developing economies particularly in Africa. This study makes a contribution to the theory and practice of inter-organisational relationships and to international entrepreneurship in an African context.

Keywords: Norms, Networks, Trust, Internationalisation, SMEs, Africa.

Introduction

International business has recently evolved as an important topic of research, focusing upon entrepreneurial businesses which engage in cross border transactions and related interactions (Jones *et al*, 2011; Coviello *et al*, 2014). Traditionally, much of the research in international entrepreneurship has focussed on the activities and strategies of large businesses and multinational corporations (McDougall and Oviatt, 2000). However, recent studies have noted a significant increase in studies on small and medium enterprises (SMEs) internationalisation (Peiris *et al*, 2012). Nonetheless, studies on SMEs operating in developing countries, and Africa in particular still remain minimal (Jones *et al*, 2011). The internationalisation of exporting food SMEs in Ghana therefore presents an interesting case for exploring the processes related to how norms shape trust building and cooperation in entrepreneurial networks in an African context. These factors were found to have important implications for the survival and growth of smaller food exporters and agricultural food systems in Ghana (Lyon and Porter, 2009; Amoako and Lyon, 2014). By food we refer to nutritious substances from both plants and animals that people eat or drink in order to maintain life and growth (Adapted from Oxford English Dictionary, 2014).

The building of flexible collaborative relationships, underpinned by specific norms and trust, could enhance growth, innovation and competitiveness (Bratton, 2007; Bruton *et al*, 2010). A number of prior studies have equated specialised networks, norms and trust with 'social capital' (Lyon, 2000). Although social capital could be analysed using both micro institutional and macro level scales, the authors draw on the theory of embeddedness (Granovetter, 1985), to focus narrowly upon the micro institutional level to explore specific research questions relating to the process of how norms are used to build trust and cooperation within food exporting SME relationships in Ghana. We define norms as

‘expectations about behaviour that are at least partially shared by a group of decision makers’ (Heide and John, 1992 p 34).

Ghana was chosen for this study because the SME sector accounts for just over 92 percent of all economically active businesses and contributes in excess of 70 percent of the national GDP (Abor and Quartey, 2010). Currently, SME food exporters in Ghana play an important role in foreign exchange earnings and enhance food security for cross-border urban markets in West African as well as in more distant international markets (Ghana Export Promotion Authority, 2011). However, very little attention has been paid to how exporting SME owner/managers involved in food production use networks to facilitate cross-cultural international trade. Thus, this study makes a contribution to the theory and the practice of inter-organisational relationships as well as to international entrepreneurship in an African context. First, we show how entrepreneurs’ embeddedness influences their networking activities based on social norms of the communities in which they operate and we also identify cultural specific norms that underpin the internationalisation of smaller food firms. Second, we provide empirical evidence of the processes through which cultural norms influence the internationalisation process. Finally, we expand the emerging literature on the role of cultural specific factors on international entrepreneurship in an African context.

The authors chose a qualitative approach that explores specific processes of norms and networking. Drawing upon in-depth field work undertaken over a two year period, the data presented in this article draws upon repeated interviews and observations within 12 illustrative case studies of SMEs operating in the food sector of Ghana. This approach facilitated a better understanding of the processes through which entrepreneurs draw

effectively upon their social relations as well as existing related norms and value to build trust-based relationships that enabled internationalisation in an environment characterised by less formalised institutions. The research takes the SME owner/manager as a unit of analysis. In each of the 12 case studies, specific networks and relationships were explored, and in particular the business to business links shaped by norms of institutional forms such as family, religion and trade associations which often crossed cultural boundaries. The collection of data and analysis of the findings were focused upon two interrelated research questions:

RQ1: What are the culturally specific norms that influence exporting SME relationships?

RQ2: How do these culturally specific norms shape trust building and cooperation in exporting SMEs relationships?

The next section critically reviews the specialist literature on SME networks and norms. Next, the chosen methodology is presented and the results are discussed in context. The final section outlines the conclusions of this research study.

Role of Networks in SME Internationalisation

This study utilises the guide issued by the Ministry of Local Government and Rural Development in Ghana to define organisations that employ 1-5 employees, as micro businesses; 6-29 employees as small businesses; and 30-100 as medium-sized enterprises (Teal, 2002). SMEs have distinctive characteristics that set them apart from large firms, which renders them resource constrained (Brinkmann *et al*, 2014). SMEs may therefore utilise networks as sources of both opportunities and complementary resources (Ferrary and Granovetter, 2009; Jaämsa *et al*, 2011). SME entrepreneurial networks may be

developed based on social relations such as religion, family, friends and acquaintances as well as links with suppliers, customers and distributors (Drakopoulou-Dodd, 2011; Amoako and Lyon, 2014). Networks could be argued to be particularly important for enterprise development in countries characterised by less developed formal institutions (Welter and Smallbone, 2006; Prashantham and Dhanaraj, 2010). Networks with customers have been found to enhance the competitiveness of micro-enterprises in the agri-food sector (Brinkman et al, 2014). Recent studies also provide examples of how networks built on trust could facilitate internationalisation in diverse spatial and cultural contexts such as China (Luo, 2003); India (Chetty and Agndal, 2007); Malaysia (Zain and Ng, 2006); Brazil (Rodrigues and Child, 2012); Eritrea (Ghauri *et al*, 2003) and Ghana (Amoako and Lyon, 2014). However, social networks may also constrain SME internationalisation (Ellis, 2011). Interestingly, much research is still needed to understand the complex processes through which social networks enable or constrain the internationalisation process particularly in developing countries (Blomqvist *et al*, 2008) and this study aims to contribute to the existing literature.

Norms

The entrepreneurship literature suggests that both individual agency as well as cultural norms influence entrepreneurial activity (Welter and Smallbone, 2011; Thornton *et al*, 2011). Norms are formed through socialisation over a period of years within a culture, leading to development of comparatively predictable responses to social situations that are common to a group of people (Hodgson, 2007; Heide and John, 1992). Norms are usually characterised by potential rewards for compliance and sanctions for violations and individuals may internalise norms and thereby behave morally to avoid guilt and shame;

internalisation in most cases leads to norms becoming habitual (Elster, 1989; Hodgson, 2007).

Norms of desirability and acceptability, morality and ethics influence entrepreneurial decision making (Drakopoulou Dodd and Gotsis, 2007; Dana, 2010). Norms underpinning ties embedded in contracts (Macneil, 1980; Sobel, 2008), family and kinship (Granovetter, 1985; Drakopoulou-Dodd, 2011), religion (Dana, 2010; Drakopoulou Dodd and Gotsis 2007), trade associations (Lyon and Porter, 2009), credit relations (Amoako and Lyon, 2014) had been driving entrepreneurial relationships in various contexts. It is possible, however, that for example, norms of religion, gender and religion (Munshi and Rosenzweig; 2006; Essers *et al*, 2013) as well as loyalty and strong reciprocity within certain networks (Lyon and Porter, 2009) could constrain enterprise development.

The building of cooperation in inter-organisational networks has been identified to be underpinned by norms and trust embedded in personal relationships and institutions (Lyon and Porter, 2009; Ansari and Phillips, 2011). However, in the absence of previous relationships, norms of institutions could offer incentives and motivations that allow one party to take action against another when agreements are not honoured, and this could also give rise to trust (Lyon and Porter, 2009).

In SME internationalisation, researchers suggest that norm based trust relationships facilitate the development and maintenance of long-term cross-border relationships (Rodrigues and Child, 2012). Norms based trust relationships reduce transaction costs related to negotiations and monitoring (Blomqvist *et al*, 2008), provide motivation, information, interpretation, market opportunities and some degree of protection against the risks associated with being foreign, new and small (Brunetto and Farr Wharton, 2007; Rodrigues and Child, 2012). In India and South Africa, Bhat and Narayan (2010) show how norms of family and ethnic ties

allow Tegulu, Tamil and Gujarati diasporas to establish transnational enterprises. Cheung (2004) provides similar evidence on Chinese diasporas. However, the processes through which many other cultural specific norms shape trust building and cooperation in networks and relationships has not been given much attention by researchers particularly in sub Saharan Africa (Jackson et al, 2008; Peiris *et al*, 2012). This leads to the two research questions:

RQ1:What are the culturally specific norms that underpin exporting SME relationships?

RQ2:How do culturally specific norms shape trust building and cooperation in exporting SMEs relationships?

To sum up, socio-cultural norms shape trust building and cooperation in entrepreneurial networks (Lyon and Porter, 2009; Dietz *et al*, 2010). Network relationships are particularly critical for entrepreneurial activities in developing countries that are characterised by less developed formal institutions (Welter and Smallbone, 2006; Bratton, 2007). In SME internationalisation, entrepreneurs utilise norms and trust based networks embedded in socio-cultural, economic and institutional contexts to mobilise resources for the process (Oviatt and McDougal, 2005; Chetty and Agndal, 2007; Ellis, 2011; Rodrigues and Child, 2012). However, much research is needed to understand the complex processes involved (Blomqvist *et al*, 2008).

Methodology

The authors adopted a constructivist approach in response to numerous calls for more qualitative studies on entrepreneurial networks (Jack 2010). A ‘multiple case study’ approach involving a research sample of 12 food exporting SMEs in Ghana was then used. This approach was chosen in order to facilitate an in-depth investigation of the processes of

norms and trust formation in exporting relationships. To ensure maximum variation (Yin, 2009), SME food exporting firms of different ages, sizes, experiences, locations and export destinations were selected. Seven cases exporting to West African markets and seven exporting to intercontinental markets (export markets outside Africa) were purposively selected. However, two entrepreneurs exporting to West African markets travelled abroad and could not give the interviews as scheduled. All the selected case firms were indigenous SMEs, involved in food exporting, had fewer than 100 employees and were identified through visits to markets, industrial areas and also through trade and export associations. To explore the processes of relationship and trust building, the selection of cases aimed at comparing and contrasting (Guest *et al*, 2006) exporting entrepreneurs' perceptions on the processes of how norms shaped trust building and cooperation in exporting relationships in West African and intercontinental markets. Hence SMEs whose export markets were in only West African or intercontinental markets were selected while firms exporting to both markets were not included in the sample. Data was collected during the summers of 2010 and 2011. The data collection process was enhanced through building trust based relationships with respondents (Lyon, 2012). Table 1 presents the profiles of the food exporting SMEs involved in this study.

Table 1 about here

The research focused on the owner/manager as the key informant since in SMEs internationalisation s/he is traditionally perceived as the main decision maker (Ellis, 2011). Interviews were held at the respondents' workplaces or at their homes depending upon where they felt more comfortable. During the early stages of the interviews, descriptive questions were administered since these were useful in 'breaking the ice' or 'starting the conversation'. Questions seeking the disclosure of 'sensitive information' were only asked

during the latter stages of the interviews (Lyon, 2012). The interviews were audio recorded and transcribed.

The level of analysis focused upon the individual owner/manager, -his/her social and working ties as well as the cultural and institutional environments that shaped inter-organisational trust building (Ellis, 2011; Lyon, 2012). The analysis of the data was done using 'thematic analysis', as it facilitated an in-depth examination of emergent results (Braun and Clarke, 2006). Even though the identification of the themes were influenced by the research questions (Boyatzis, 1998), themes that were linked to the data were also identified (Patton, 2002). All the transcripts were read carefully, annotated and classified into themes, categories and codes based on the literature and also from the data. Within and intra-case analysis were done and quotes relating to themes and subcategories were identified and compared to similar quotes in each transcript. The intra-case analysis focused on the processes through which entrepreneurs built and maintained exporting relationships and how they controlled their exchange partners. We particularly focused on the contractual arrangements, social and business ties, entrepreneurs' expectations from partners and how these enhanced trust and cooperation in relationships. The cross-case analysis examined the different views and experiences of entrepreneurs across the firms within West African and Intercontinental markets. The main findings are presented and discussed in the next section of this article.

Results and Discussion

Norms Shaping Trust Building and Cooperation in Food SME Exporting Relationships

The empirical findings identified a number of culturally specific norms that underpinned exporting relationships and these were norms of: contracts, family/kinship and ethnicity,

religion, trade associations, *efiewura* system, 'African punctuality' and credit relations. These norms defined entrepreneurs' expectations about the behaviour of their exchange partners (Heide and John, 1992). These 'acceptable or unacceptable' actions therefore served as the basis for building trust and cooperation in exporting relationships (Lyon and Porter, 2009). The norms were drawn on by all the firms in this study in building trust and cooperation in their export relationships irrespective of differences in age, size and experience (see Table 2).

Norms of Contracts

The empirical findings showed that the most common norms of contracts found in developed countries, the written contract, was in limited use in internationalising food exporting SME exchanges in Ghana. A contract refers to "a written or spoken agreement, concerning sales that is intended to be enforceable by law" (Oxford English Dictionary, 2014). The exporting relationships were underpinned by culturally specific norms based on personalised relationships and informal institutions. These trust-based relationships had been built on a series of transactions and prior relationships. This explains why overall, three quarters (9 out of 12) of the exporters claimed that they relied on oral contracts mostly through telephone calls and face-to-face interactions to place orders. Only two of the respondents exporting to intercontinental markets declared that they had written contracts with their partners abroad. Interestingly, all the five exporters to West African markets relied on oral agreements while five exporters to intercontinental markets also indicated that they did not rely on written contracts. An exporter of fresh oranges to West African markets reported how she coordinated her relationship with her partner: "No, we don't have a written contract however, through verbal agreements and flexible ordering at

times we send the goods to him on our own but at times he remits money to us for goods and we supply to his satisfaction” (Case 4). In contexts where there may be a lack of prior knowledge, face -to-face oral arrangements were agreed at times in the presence of other people, who may be summoned as witnesses. Table 2 presents the findings on the norms of contracts used by these entrepreneurs in their exporting activities.

Table 2 about here

While these relational arrangements were not enforceable within the legal system of Ghana, the respondents indicated that in the vast majority of cases exchange partners honoured their obligations. Entrepreneurs reliance on oral contracts that were not enforceable in a court of law show the importance of social norms, trust and informal collaborations in contexts such as Ghana, where formal institutions that enforce contracts are less developed (Welter and Smallbone, 2006; Bruton *et al*, 2010). Recent studies suggest that norms of informal collaborations could facilitate the internationalisation process in both developed and developing countries (e.g. Hessels and Parker, 2013; Rodrigues and Child, 2012). In developing economies such as Malaysia (Zain and Ng, 2006), India and China (Bhat *et al*, 2010) and Brazil (Rodrigues and Child, 2012), norms and trust based relationships facilitate the internationalisation process. However, the focus of most studies in previous research had been on formal ties between firms (Hessels and Parker, 2013).

Norms of family/kinship and ethnicity

Food exporters operating in both West African and intercontinental markets drew on norms of family/kinship and ethnicity to build trust and cooperation in relationships with other organisations (customers, suppliers and intermediaries). They particularly used language

related to family referring to business partners as 'my brother', 'my sister' or 'my mother'. An exporter of pineapple to the EU explained that the norms of family allowed him and his partner to lean on each other: "what I mean is I've very cordial relationship with them; we talk friendly about the job. If he has difficulty he explains to me why he is unable to, we talk and work as a family, we lean on each other because he needs me and I need him" (Case 8). Ethnic ties emanating from family/ kinship were also found to promote trust building and cooperation between entrepreneurs exporting to West African markets. For example, the CEO of Cola Nut enterprise drew on trust built originally between Hausa emigrants in Ghana and their kinsmen in northern Nigeria.

Family/kinship norms though promoting trust building and cooperation were also found to constrain exporting competitiveness. On some occasions entrepreneurs alluded to norms of the Akan family system which might render it morally wrong to abandon a "brother" or "sister" even though the business relationship might not be very beneficial. Furthermore, this study uncovered evidence that, in terms of inter-organisational relationship building, female entrepreneurs who were married were mostly constrained from entering into regular contacts with men who were not their husbands. An exporter of dried fruits, who is married, testified in this way: "There is the necessity for me to spend time with my business partners and spend time in discussions particularly the foreigners when they pay me a visit. However, it is culturally not accepted for women to sit with men who are not their husbands, so being a woman, I am restricted. So you can imagine the kind of problems I encountered when my husband was not interested in what I was doing" (Case 10). It was further found that in some parts of northern Ghana, strong ties of family/ kinship barred female entrepreneurs who were married from owning and/or running their own enterprises. A female entrepreneur explained the status of her colleagues who defied these

norms of family/kinship as “either divorced or single because they are regarded as ‘*obaa kokonini*’ [a woman who behaves like a man]” (Case 9).

Norms of weak ties from family/kinship and friends had been known to facilitate and constrain entrepreneurship (Drakopoulou-Dodd, 2011) and these contradictions had been described in the specialist literature, as the ‘paradox of the family’ (see Amoako and Lyon, 2014). These contradictory norms are found not only in Ghana but also in other cultures. For example, family/ kinship norms underpinning gender roles constrain female entrepreneurs of Turkish and Moroccan descent in the Netherlands from owning and managing their own businesses (Essers *et al*, 2013).

Norms of Religion: Fatalistic and Superstitious Beliefs

Emergent results revealed that religious norms also shaped trust building and cooperation between exchange partners engaged in exporting relationships. Particularly, shared religious beliefs fostered a sense of ‘brotherliness’ between exporters and their exchange partners. It was found however, that norms of superstition and fatalism underpinning Christianity, Islam and Animists belief systems influenced the decision of exporters to accept vulnerability and rebuild trust after apparent breaches by exporting partners in export exchanges. A cola nut exporter to West African markets illustrated that “You know our religion sometimes we say God have brought this thing. So you just accept the situation and you forgive because you think that Allah has caused it” (Case 5). Interestingly, when Christians and Animists were probed on their beliefs in supernatural and divine interventions, they all seemed to believe in fatalism like Case 5.

This may as well explain why four entrepreneurs exporting to West African markets had invoked the Supreme God, Allah or traditional gods to ‘sanction’ (curse) or to coerce their

suppliers who refused to fulfil their obligations. The respondent below, who is an exporter of processed spices, explained how she relied on religious norms to sanction (curse) suppliers who nearly defaulted on credit payment: “We use alternative conflict resolutions methods On one occasion I took an egg and told the person that we were going to invoke a curse from the gods *“Antoa Nyamaa”[a traditional god in Ashanti]* One of my suppliers who had wanted to reduce the amount of credit I have advanced to him, only admitted after I had threatened her with a curse from the gods” (Case 9). Two other entrepreneurs also indicated that they had relied on religious leaders (pastors, Imams and Akomfoo), instead of courts, to mediate disputes and to enforce agreements between them and their partners. Interestingly, the entrepreneurs indicated that these forms of sanctions were less effective in intercontinental exporting relationships apparently due to differences in cultural norms. The belief in deities and use of curses in exporting relationships reflect a widespread belief in African societies in the existence of supernatural powers that may protect or cause disaster. For example in Nigeria, during conflict resolution, parties are made to promise that they will not invoke the curses of ancestors to bewitch the other party (Le Baron, 2003). Munshi and Rosenzweig (2006) also explain that norms of religion (Hinduism) place tacit restrictions on caste networks in India with regards to enterprise development based on self-employment.

Norms of Trade Associations

All the exporters belonged to trade associations and indicated that norms of trade associations provided the basis for the promotion of networking, trust building and cooperation between them and their partners in Ghana and in West African countries. Norms of associations were used in mediating the disputes between members and their

exchange partners. A poultry farmer, who exported fresh eggs to West African markets, detailed how the norms of trade associations were used to resolve a dispute of delayed payments for goods exported to his *efiewura* (agent) in Mali: “I reported him (*efiewura*) to the leaders of the trade association. We preferred to rely on the trade association than any external agency. They summoned my *efiewura* and we gave our version of the disagreement and he also explained why he had not paid me for three months. At the end of the hearing the leaders told him to pay my money within two weeks, which he did” (Case 3).

Cooperation and trust in the *efiewura* system, which underpin food exporting in West Africa, is partly due to the ability of trade associations to draw on industry norms. Particularly, norms of reciprocity and mutual expectations shaped by common language and ethnicity (Putnam, 1993), religion (Drakopoulou Dodd and Gotsis 2007; Dana, 2010) and chieftaincy (Amoako and Lyon, 2014) are used to enforce relational arrangements between exporters and their customers. Trade associations in Ghana and West Africa therefore serve as important parallel institutions to the courts, which are mostly perceived to be corrupt, expensive and time consuming (Fafchamps, 2004; Lyon and Porter, 2009; Amoako and Lyon, 2014). In South Africa (D’haese *et al*, 2005; Porter *et al*, 2007) report how norms of trade associations in varied ways reduce uncertainty and enhance entrepreneurship.

Norms of ‘African Punctuality’

Norms of punctuality were considered an important element in export relations by two thirds (8 of 12) of exporting SME owner/managers. They were expected by their customers in distant markets to meet supply deadlines and in turn, the entrepreneurs expected their own suppliers to meet delivery deadlines. However, the need to meet supply deadlines

imposed considerable challenges on food exporters in Ghana, due to the norms referred to as 'African Punctuality'. An exporter of cashew and 'shea butter' shared his experience on the meaning and impact of "African Punctuality" on meeting deadlines: "There is this problem of 'African Punctuality'. African punctuality means adding one or two hours or a few days to the time or date agreed for the transaction and therefore possibly missing the appointment or the deadline [in the case of exporting]" (Case 12).

As illustrated by case 12, the expression 'African Punctuality' refers to culturally specific norms of flexibility on meeting deadlines and times for appointments, irrespective of how urgent the appointment might be. These norms imply that missing out on a supply deadline by a day or two in Ghana may be acceptable. While norms of "African Punctuality" undermined SME food exporters competitiveness in both West African and intercontinental markets, these norms were particularly constraining to entrepreneurs exporting to intercontinental markets due to the need to meet strict deadlines. In this regard, the entrepreneurs had to learn new norms of tight punctuality and emphasise them in their local supply networks in order to meet the expectations of trading partners.

Interestingly, norms of punctuality and deadline have been found to vary from culture to culture. Polychronic cultures such as the Middle East, Central and South America, Southern Europe, Asia and Sub Saharan Africa are argued to be flexible in time use whilst monochronic cultures such as USA, Canada and Northern Europe adhere to strict deadlines and punctuality (Hall, 1983; Adams and Eerde, 2010). This study while offering an in-depth understanding of how deadlines, punctuality and time use may differ among exchange partners in cross cultural economic exchanges also confirms existing studies on variations in time use within different cultural groups..

Norms of Credit with Customers and Suppliers

Norms of credit allowed all the 12 exporters to receive goods on credit from their suppliers and also to offer goods on credit to their customers in both West African and Intercontinental markets. An exporter of cashew nuts to Switzerland and India explained how he received credit from his customers: “On many occasions my partners (customers) abroad transfer money to me, for at times, one month or more even before I ship the goods to them. This happen especially during the time when the demand for cashew increases in places like Europe and India” (Case 7). An exporter of fresh vegetables to the UK market also explained how credit relations with farmers enhanced his export business: “I do give credit [money] to some farmers, mostly individual farmers. I know their character. The advantage is that because of the credit I have given to the farmers I get the produce any time I want it and they get enough produce for me” (Case 6). Credit on goods from exchange partners is an essential strategic tool in Sub Saharan countries due to SMEs’ lack of access to finance in most countries including Ghana (Mitra and Sagagi, 2013; Abor and Biekpe 2006). Table 3 presents a summary of how indigenous norms shaped trust and relationship building in SME food exporting in Ghana.

Table 3 about here

Conclusion

The results of this study suggest the importance of understanding of the role of indigenous norms and trust-based relationships in the internationalisation of SMEs. This study establishes that written contracts, taken for granted in much of the developed world, are in themselves norms and not widely used in food SMEs internationalisation in Ghana and West Africa. On the contrary, entrepreneurs relied considerably upon culturally specific norms of

both personalised trust and informal institutions namely: family/kinship and ethnicity, religion, trade associations, *efiewura* system, 'African punctuality' and credit relations (research question one) to enhance the internationalisation process. For example entrepreneurs were found to draw on family/kinship norms to refer to business partners as "brother", "sister" or "mother". These norms defined what actions were considered acceptable or unacceptable and therefore served as the basis for building trust and cooperation (Heide and John, 1992; Lyon and Porter, 2009; Blomqvist *et al*, 2008; Bhat *et al*, 2010) in exporting relationships (research question two). Culturally specific norms that constrained entrepreneurship were also found; for example, norms of family/kinship restrained married female entrepreneurs from building relationships with men who are not their husbands. The constraining influences of norms of religion and family/kinship and ethnicity have been observed in other developing countries such as India, (Munshi and Rosenzweig, 2006), Turkey and Morocco (Essers, 2013). Cultural specific norms of offering and receiving credit and 'African Punctuality' confirmed that entrepreneurs need to understand that the basis for building networks and trust relationships in distant markets as these may vary across different cultural contexts (Hall, 1983; Dietz *et al*, 2010; Adams and Eerde, 2010). It is important to recognise that these norms can be geographically specific, to a town or market place, particularly in relation to local trade associations. They may also represent a hybridisation of traditional systems, industry and collaborating businesses. Such cultural 'sensitivity' is necessary when exploring the processes of networking and entrepreneurship in a non-Western European and global context, where legal controls and written contracts are less prevalent. Policies that focus on enterprise development also need to reflect the influences of indigenous institutions.

The results contribute to the ongoing debate on the role of networks, norms and informal institutions in international entrepreneurship in a number of ways. First, we identify culturally specific norms that shape how entrepreneurs perceive trust and cooperation in their export networks. Second, we provide empirical evidence of the processes through which cultural norms influence the internationalisation process. Third, we empirically show that where there are cultural differences, there is a need for exchange partners to understand the norms that form the bases for business relationships and trust building.

Limitations and Further Research

Even though repeated interviews were conducted to enhance validity by probing emergent themes with the cases over a period of two years, given the dynamic nature of trust (Lyon, 2012), future research could adopt a longitudinal approach by collecting data over a longer period of time. Furthermore, the case study and purposive sampling approaches lack the basis for scientific generalisation (Yin, 2009). Hence future studies could benefit the testing of hypotheses on the role of indigenous norms in internationalisation on a larger sample in both developed and developing countries.

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Table 1: Profiles of Cases for this Study

Firm Profile						Entrepreneur Profile			
Case No	Firm Company	Year Established	Employees	Location	Main Export Markets	Interviewed	Gender	Age	Educational Level
1	Cola Nut Enterprise	1983	6	Kumasi	Nigeria	Owner/manager	Male	50+	Secondary
2	Maize Ltd	1990	10	Techiman	Niger, Burkina Faso, Mali	Owner/manager	Male	50+	Elementary
3	Egg Company Ltd	2001	35	Techiman	Niger, Mali, Burkina Faso	Owner/manager	Male	40-44	Elementary
4	Oranges Enterprise	1985	10	Techiman	Niger, Burkina Faso	Owner/manager	Female	50+	Secondary
5	Cocoa Products Ltd	2000	10	Tema	Nigeria, Burkina Faso	Owner/manager	Female	35-39	Secondary
6	Vegetable Ltd	2003	26	Accra	UK	Owner/manager	Male	30-34	Secondary
7	Cashew Company	2002	38	Tema	India, Switzerland	Owner/manager	Male	30-34	Graduate
8	Pineapple Company	1998	60	Accra	EU, Asia	Owner/manager	Male	50+	Post graduate
9	Lanta Spices	1991	38	Accra	USA	Owner/manager	Female	50+	Post graduate
10	Dried Fruits Ltd	1996	20	Accra	Switzerland, China	Owner/manager	Female	50+	Post secondary
11	Shea Butter Company	2003	25	Damongo	USA	Owner/manager	Female	50+	Post secondary

12	Rapho Company	2002	20	Aburi	EU, USA	Owner/manager	Male	50+	Post secondary
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Table 2: Entrepreneurs' Use of Relational and Contractual Arrangements in Their Exporting Relationships

Case Number	Name of Case	Main Export Market	Do you have written agreements (prepared by a lawyer) drawn up with any of your key partners and if yes/no how do you work together?
1	Cola Nut Enterprise	Nigeria	"No, no, no. We don't have any signed paper with them. Ok, if I go to Nigeria I have got <i>efiewura</i> and their association there so we don't use any signed paper".
2	Maize Ltd	Niger, Burkina Faso, Mali	"No, what I do is when I call him he gives me the order and the prevailing price in that market.... I also take into consideration the prevailing market price hereand if I find out that it will be profitable then I export the goods to him and when I go the price is always as he told me".
3	Egg Company Ltd	Niger, Mali, Burkina Faso	" Nono we haven't signed any documents; if he needs goods he just call me and he places the order, then I send it; everything is working very perfect and the relationship is very friendly"
4	Oranges Enterprise	Niger, Burkina Faso	"No, we don't have a written contract, however, through verbal agreements and flexible ordering at times we send the goods to him on our own but at times he remits money to us for goods and we supply to his satisfaction".
5	Cocoa Products Ltd	Nigeria, Burkina Faso	"No, no. Our relationship is not based on any written contract, its only that my company is registered with them. What I do is I call Nana; and tell him that next week I'll come for raw

			materials, do you have in stock?, if he says yes, I would go and collect my product”.
6	Vegetable Ltd	UK	“No. Now we depend on verbal agreement and I had to give them full assurance that I am committed to do business with them”.
7	Cashew Company	India, Switzerland	“No, not prepared by a lawyer but that meets the international standard between the two parties that's their company and my company yea its a memorandum of understanding”.
8	Pineapple Company	EU, Asia	“No, no. He places the order and I do supplying so it could not be termed as a formal written contract but is a form of a contract though, but this is a loose contract...”.
9	Lanta Spices	USA	“Yes, we have a signed contract with them.... You see in business the personal touch is more important but for eventualities the legal document is there to protect but basically the human relationship is our topmost priority”.
10	Dried Fruits Ltd	Switzerland, China	“Yes, I do have a contract with [X company] and the contract ensures that the terms of the agreement are observed. However in the day to day activities we depend a lot on cordial personal relationships. For instance, if there are any issues, we sit down and trash it out amicably”.
11	Shea Butter Company	USA	“We have flexible agreements with customers who are all corporate customers, all they need do is just send the purchase order of what they need and we supply. Yea, well the purchase order by itself is a contract based on trust.. I must trust you in order to do business with you”.
12	Rapho Company	EU, USA	“No, we do not have any written agreement, it is a verbal transaction”.

Source: Interview data

Table 3: Norms Shaping Trust and Cooperation of Ghanaian SME Food Exporting Relationships in International Markets

Norms Shaping Trust and Cooperation in West African Market	Norms Shaping Trust and Cooperation in Intercontinental Markets
<p>❖ Norms of Contracts</p> <ul style="list-style-type: none"> ▪ Norms of coordination based on trust e.g verbal orders ▪ Third parties may be invited as witnesses for contracting parties. ▪ Social norms used to control and sanction defaulters. <p>❖ Norms of Family/Kinship and Ethnicity</p> <ul style="list-style-type: none"> ▪ Norms of loyalty, reciprocity and mutual obligations enable exporters to build personalised trust. ▪ Shared language promotes understanding and brotherliness. ▪ Ethnic ties in neighbouring countries promote trust and cooperation. ▪ Norms of gender constrain married women entrepreneurs from building personalised relationships with male business partners. <p>❖ Norms of Religion</p>	<p>❖ Norms of Contracts</p> <ul style="list-style-type: none"> ▪ Norms of written contracts prepared by lawyers used by a couple of exporters. ▪ Social norms are less effective in controlling and sanctioning defaulters. <p>❖ Norms of Family/Kinship and Ethnicity</p> <ul style="list-style-type: none"> ▪ Norms of loyalty, reciprocity and mutual obligations enable exporters to build personalised trust. ▪ Norms of gender constrain married women entrepreneurs from building personalised relationships with male business partners.

<ul style="list-style-type: none"> ▪ Norms of shared beliefs, brotherliness and morality facilitate trust building and cooperation. ▪ Norms of fatalism influences actors' decisions to accept vulnerability in relationships. ▪ Norms of superstition influence actors' decisions to refrain from opportunism. ▪ Norms of divine curses are invoked to control exchange partners. <p>❖ Norms of Trade Associations</p> <ul style="list-style-type: none"> ▪ Norms of leadership drawn from chieftaincy allow associations to mediate in disputes, enforce contracts and sanction defaulters ▪ Norms of associations enhance the sharing of information on markets and members' traceability. <p>❖ Norms of <i>Efiewura</i> System</p> <ul style="list-style-type: none"> ▪ Norms of sharing of information on markets allow partners to build trust and cooperation ▪ Norms of sharing of accommodation enhance access to West African markets. <p>❖ Norms of African Punctuality</p> <ul style="list-style-type: none"> ▪ Norms of 'African Punctuality' undermine the meeting of export deadlines. <p>❖ Norms of Credit</p> <ul style="list-style-type: none"> ▪ Norms of credit repayment allow exporters to get reliable supplies. ▪ Norms of offering goods on credit enable exporters to get access to market spaces in distant regional markets through <i>Efiewuranom</i>. ▪ Norms of receiving credit from customers enable exporters to boost their cash flows 	<p>❖ Norms of Religion</p> <ul style="list-style-type: none"> ▪ Norms of brotherliness and morality facilitate trust building and cooperation. ▪ Norms of fatalism influences actors' decisions to accept vulnerability in relationships. ▪ Norms of divine curses are invoked to control exchange partners <p>❖ Norms of Trade Associations</p> <ul style="list-style-type: none"> ▪ Norms of leadership drawn from chieftaincy allow associations to mediate in disputes, enforce contracts and sanction defaulters ▪ Norms of associations enhance the sharing of information on markets and members' traceability. <p>❖ Norms of <i>Efiewura</i> System</p> <ul style="list-style-type: none"> ▪ Not applicable <p>❖ Norms of African Punctuality</p> <ul style="list-style-type: none"> ▪ Norms of 'African Punctuality' undermine the meeting of export deadlines. ▪ Norms of international export markets (that differ from the norms of 'African punctuality') are learnt and used to enable exporters to meet strict deadlines. <p>❖ Norms of Credit</p> <ul style="list-style-type: none"> ▪ Norms of credit repayments allow exporters to get reliable supplies. ▪ Norms of offering goods on credit enable exporters to get access to intercontinental markets. ▪ Norms of receiving credit from customers enable exporters to boost
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